



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF TRANSPORTATION  
MARITIME INDUSTRY AUTHORITY

**FOCUS GROUP DISCUSSION ON THE PHILIPPINE SHIP REGISTRY ACT  
AND SHIP BUILDING/SHIP REPAIR DEVELOPMENT ACT**

**MESSAGE**

14 NOVEMBER 2024, 9:00A.M. TO 5:00P.M.

**SONIA B. MALALUAN**  
ADMINISTRATOR  
**MARITIME INDUSTRY AUTHORITY**

USEC. ROLANDO U. TOLEDO OF THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM), DIRECTOR RICKEE GERALD BRIEVA OF THE PRESIDENTIAL LEGISLATIVE LIAISON OFFICE (PLLO), DOTR ASSISTANT SECRETARY FOR MARITIME, ATTY. JULIUS YANO, COMMO. EUGENIO A. FEDERICO OF THE PHILIPPINE COAST GUARD (PCG), DISTINGUISHED REPRESENTATIVES OF DEPARTMENTS AND AGENCIES, LADIES AND GENTLEMEN, A VERY PLEASANT MORNING TO ALL.

FIRST OF, LET ME EXPRESS OUR PROFOUND GRATITUDE TO SECRETARY MENDOZA AND THE PLLO FOR ORGANIZINGN THIS VERY IMPORTANT ACTIVITY. OUR HEARTS ARE FULL AS THIS IS THE FIRST TIME IN THE HISTORY OF MARINA THAT WE ARE GETTING THIS KIND SUPPORT AND ASSISTANCE. IN AN ARCHIPELAGO LIKE THE PHILIPPINES, IT IS IMPERATIVE TO HAVE A VERY VIBRANT AND ROBUST MARITIME INDUSTRY, HARNESSING THE POTENTIALS FOR SOCIO- ECONOMIC GROWTH THRU SHIPPING. THE PHILIPPINES CONTINUE TO BE THE PRIMARY SOURCE OF COMPETENT MARITIME WORKFORCE, ALSO RANKING NUMBER 5 IN THE GLOBAL

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SHIPBUILDING RECORDS, WITH MORE THAN 20,000 REGISTERED SHIPS. BASED ON THE DATA, 90% OF WORLD TRADE IS CARRIED BY SEA.

THE LAW COVERING REGISTRATION OF SHIPS IS STILL CONTAINED IN THE OLD TARIFFS AND CUSTOMS CODE, THAT IS HALF CENTURY OLD. THE PHILIPPINE REGISTRY OF OVERSEAS SHIPS CONTINUE TO DWINDLE AT 98 SHIPS, MOST BAREBOAT CHARTERED AND NOT OWNED BY OUR FILIPINO COMPANIES/CORPORATIONS.

IT IS AN HONOR TO ADDRESS ALL OF YOU TODAY AS WE GATHER TO DISCUSS AN ISSUE THAT HOLDS TREMENDOUS SIGNIFICANCE FOR THE CONTINUED GROWTH, SAFETY, AND FUTURE OF THE PHILIPPINE MARITIME INDUSTRY. WE ARE HERE NOT JUST TO SHARE UPDATES OR TECHNICAL INFORMATION, BUT TO FURTHER DEEPEN OUR COLLECTIVE COMMITMENT TO ADVANCING THE STANDARDS OF MARITIME SAFETY, ENSURING THE SUSTAINABILITY OF OUR DOMESTIC SHIPBUILDING AND REPAIR SECTORS, AND SUPPORTING THE INDUSTRY'S FUTURE SUCCESS IN A WORLD THAT IS CONSTANTLY CHANGING.

THE MARITIME INDUSTRY AUTHORITY (MARINA) IS DEDICATED TO ENSURING THE SAFETY, EFFICACY, AND COMPLIANCE OF PHILIPPINE-REGISTERED SHIPS. OUR ROLE IN REGULATING THE CONSTRUCTION, CONVERSION, ALTERATION, MODIFICATION, AND REBUILDING ACTIVITIES OF SHIPS IS VITAL FOR MAINTAINING THE HIGHEST LEVELS OF SAFETY ACROSS THE MARITIME



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SECTOR. WE RECOGNIZE THAT THIS TASK GOES BEYOND SIMPLY ENFORCING REGULATIONS; IT IS ABOUT FOSTERING A CULTURE OF EXCELLENCE IN SAFETY AND ENVIRONMENTAL STEWARDSHIP THROUGHOUT THE MARITIME VALUE CHAIN.

MARINA'S COMMITMENT IS TO ELEVATE OUR MARITIME SAFETY STANDARDS CONTINUOUSLY, ENSURING THAT OUR SHIPS, WHETHER FOR DOMESTIC OR INTERNATIONAL OPERATION, ARE BUILT, MAINTAINED, AND OPERATED IN A WAY THAT SAFEGUARDS PASSENGERS, CREW, AND THE ENVIRONMENT. BY WORKING CLOSELY WITH THE SHIPYARDS, SHIPPING COMPANIES, AND OTHER MARITIME STAKEHOLDERS, WE ARE BUILDING A ROBUST MARITIME ECOSYSTEM THAT ADHERES TO BOTH INTERNATIONAL STANDARDS AND NATIONAL PRIORITIES.

AT PRESENT, WE ARE FACING CERTAIN REALITIES THAT NEED TO BE ADDRESSED. MANY OF OUR SMALL TO MEDIUM-SIZED SHIPYARDS ARE OPERATING AT A BREAKEVEN POINT, MEANING THAT THEY ARE COVERING OPERATIONAL COSTS BUT STRUGGLING TO GENERATE SIGNIFICANT PROFITS. THIS IS LARGELY DUE TO VARIOUS FACTORS SUCH AS THE HIGH COST OF ADVANCED MATERIALS AND TECHNOLOGY, LIMITED ACCESS TO FINANCING, AND COMPETITION FROM FOREIGN PLAYERS. DESPITE THIS, THE LOCAL SHIPYARDS HAVE DEMONSTRATED INCREDIBLE RESILIENCE AND INGENUITY.

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ONE KEY POINT OF OPTIMISM, HOWEVER, IS THE EAGERNESS OF OUR SHIPYARDS TO INTRODUCE NEW TECHNOLOGIES. THERE IS A GROWING DESIRE TO UPGRADE FACILITIES, ADOPT MODERN EQUIPMENT, AND EXPLORE INNOVATIVE SHIPBUILDING TECHNIQUES. THIS EAGERNESS FOR TECHNOLOGICAL ADVANCEMENT IS CRUCIAL, AS IT POSITIONS THE PHILIPPINE MARITIME INDUSTRY TO STAY COMPETITIVE ON THE GLOBAL STAGE WHILE ADDRESSING THE SAFETY AND ENVIRONMENTAL CHALLENGES OF THE 21ST CENTURY.

THERE ARE SEVERAL COMPELLING REASONS WHY THE PHILIPPINES REMAINS AN IDEAL SITE FOR SHIPBUILDING AND SHIP REPAIR ACTIVITIES. THESE REASONS PRESENT NOT ONLY AN OPPORTUNITY FOR GROWTH BUT ALSO A CLEAR COMPETITIVE ADVANTAGE IN ATTRACTING INVESTORS, BOTH LOCAL AND INTERNATIONAL, TO INVEST IN THE SECTOR.

DESPITE THE MANY OPPORTUNITIES, WE ARE NOT WITHOUT OUR CHALLENGES. THE PHILIPPINE MARITIME SECTOR FACES SEVERAL CRITICAL ISSUES THAT MUST BE ADDRESSED TO ENSURE THE CONTINUED GROWTH AND COMPETITIVENESS OF OUR SHIPYARDS AND SHIPPING COMPANIES.

AT THIS JUNCTURE, IT IS IMPORTANT TO RECOGNIZE THE PIVOTAL ROLE PLAYED BY THE PHILIPPINE SHIP REGISTRY ACT AND THE SHIPBUILDING/SHIP REPAIR DEVELOPMENT ACT IN ADDRESSING THESE



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CHALLENGES AND FOSTERING THE GROWTH OF THE MARITIME SECTOR. THESE LEGISLATIVE MEASURES AIM TO MODERNIZE OUR MARITIME LAWS AND CREATE A MORE SUPPORTIVE ENVIRONMENT FOR BOTH SHIP CONSTRUCTION AND REPAIR AND THE EXPANSION OF THE PHILIPPINE REGISTRY.

THE PRIMARY OBJECTIVE OF THE PHILIPPINE SHIP REGISTRY IS TO ESTABLISH A FRAMEWORK FOR MORE RIGOROUS SAFETY REGULATIONS, WHICH ALIGNS WITH INTERNATIONAL CONVENTIONS AND ENSURES THAT PHILIPPINE-REGISTERED SHIPS MEET THE HIGHEST STANDARDS. THIS, IN TURN, IMPROVES THE REPUTATION OF OUR MARITIME SECTOR AND ENSURES THE CONTINUED SAFETY OF PASSENGERS, CREW, AND THE ENVIRONMENT.

THE SHIPBUILDING/SHIP REPAIR DEVELOPMENT ACT FOCUSES ON THE PROMOTION OF LOCAL SHIPYARDS, PROVIDING INCENTIVES FOR THE CONSTRUCTION OF NEW SHIPS AND THE REPAIR OF EXISTING VESSELS. IT ALSO SUPPORTS THE ESTABLISHMENT OF MODERN SHIPBUILDING FACILITIES, THE INTRODUCTION OF NEW TECHNOLOGIES, AND THE DEVELOPMENT OF A SKILLED WORKFORCE.

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TOGETHER, THESE TWO PIECES OF LEGISLATION ARE KEY TO ENSURING THAT THE PHILIPPINE MARITIME INDUSTRY REMAINS COMPETITIVE, SAFE, AND SUSTAINABLE IN THE LONG TERM.

AS WE MOVE FORWARD, WE MUST REMAIN FOCUSED ON THE NEED TO ELEVATE MARITIME SAFETY STANDARDS, ADDRESS THE CHALLENGES FACING OUR SHIPYARDS, AND TAKE FULL ADVANTAGE OF THE OPPORTUNITIES THAT LIE BEFORE US. THE PHILIPPINES HAS ALL THE INGREDIENTS NECESSARY FOR SUCCESS IN THE SHIPBUILDING AND REPAIR INDUSTRY: A STRATEGIC LOCATION, A GROWING DEMAND FOR MARITIME SERVICES, A SKILLED WORKFORCE, AND GOVERNMENT SUPPORT.

IT IS IMPERATIVE THAT WE CONTINUE TO WORK TOGETHER — GOVERNMENT, INDUSTRY STAKEHOLDERS, AND THE MARITIME COMMUNITY — TO CREATE AN ENVIRONMENT WHERE SAFETY, INNOVATION, AND SUSTAINABILITY ARE AT THE CORE OF OUR MARITIME SECTOR. THE FUTURE OF PHILIPPINE MARITIME SAFETY, SHIPBUILDING, AND SHIP REPAIR IS BRIGHT, AND WITH YOUR CONTINUED COMMITMENT, WE CAN ENSURE THAT THE PHILIPPINES REMAINS A GLOBAL MARITIME LEADER.

THANK YOU AND GOOD MORNING AGAIN.